



May 18, 2016

House Appropriations

Re: HB 5631

Dear Committee members,

The Michigan Environmental Council (MEC) is a coalition of more than 70 member organizations across the state. MEC has concerns with the proposed language in HB 5631 and its potential unintended effect of undermining the legislative process and support for establishing new "restricted funds".

We are open to a discussion of appropriate uses of the Forest Development Fund, which receives all sales revenue from the sale of timber of state forest land, for instance, whether it should be used to pay a portion of the "payments in lieu of taxes" on state forest lands. However, once funds are placed within that restricted fund, its uses should be restricted to activities directly related to managing those lands for future generations. Michigan when it established the Forest Development Fund intended the revenues derived from the sale of a state asset should be reinvested into those resources in order to best manage them for the state. When funds are diverted to unrelated programs, the public faith in establishing new restricted funds is undermined. That support is critical, especially when new fees are required.

Unfortunately, diversions for unrelated purposes have happened with many other funds in the past. In some cases, we are now seeing the results of those past diversions undermining our ability to fulfill the original purpose for which the fund was established. For example, the Refined Petroleum Fund, established to cleanup leaking underground storage tanks, is being diverted to paying state salaries in multiple unrelated programs. Waste reduction fees paid on hazardous waste are used to provide free air pollution discharge permits. In both cases, the original reasons for establishing the funds are diminished.

We urge the committee to not take funds dedicated to another source and use them freely to unrelated funding priorities. As a state we need to continue to utilize funds for their intended purpose and find new funding sources when necessary instead of simply shifting funds around until multiple programs are underfunded and putting at risk many programs that are protective of the long term needs of the citizens of the state.

Thank you,

  
Sean Hammond, Deputy Policy Director